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## **U.S. to Provide \$543 Million in Special Duty-Free Status to India**

NEW DELHI - United States Trade Representative Robert B. Zoellick announced today that the United States will totally free India's trade for 42 products encompassing about \$543 million of exports under the U.S. Generalized System of Preferences for developing countries as a tangible step in an enhanced trade relationship.

They also agreed to operationalize the United States-India trade policy dialogue at the Ministerial level and agreed that their officials will work out further details about its working framework. This would enable ministerial and other official level consultations to take place at regular intervals on trade related issues.

"As the world's largest democracy, with vast market potential, India is very important to the United States and the global trading system," Ambassador Zoellick said after meeting with Commerce Minister Murasoli Maran.

"The United States and India want to create an improved relationship built on mutual respect and common interests," Zoellick said. "The elimination of any barriers for these Indian exports is one tangible step in transforming our relations."

Zoellick, the first Cabinet member of the administration of President George W. Bush to visit India, is consulting with senior Indian government officials and private sector leaders over the course of three days.

"With the economic reforms of the last decade, India is emerging as an important player in the global trading system," he said. "I'm here to listen and learn."

Ambassador Zoellick and Minister Maran discussed U.S. - India bilateral trade and global trade

issues, including the upcoming WTO Ministerial in Doha this November.

The bulk of GSP benefits granted are on jewelry products. India did not have GSP benefits on these products due to prior U.S. denials of India's requests for "competitive need" waivers.

This trip builds on other visits by Zoellick to Asia, Latin America, and Europe earlier this year and underscores the importance the Bush Administration places on its ties with India. Zoellick is the first U.S. Trade Representative to visit India in more than a decade.

In addition to his meetings with government officials, Zoellick will hold discussions with Indian business leaders, including those in the information technology sector. "I am particularly interested in learning more about India's IT sector, which is contributing remarkably to India's economic development and to the growing economic linkages between the United States and India," Zoellick said.

Zoellick also visited the Salaam Balaak trust shelter, a USAID-supported children's shelter which provides food, medical aid and vocational training. "While India's economic development and growth will help address serious poverty in the future, we hope U.S. support provides some immediate relief to those in need."

Goods and services trade between the United States and India totaled more than \$17 billion last year, making the United States India's largest trading partner. Trade is a vital element of President Bush's economic plan, which recognizes that trade creates economic growth and development, as well as new and better jobs.

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